

STATE OF ALASKA  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL AND GAS  
STATE PIPELINE COORDINATOR'S SECTION

# ALASKA LNG PROJECT

CONDITIONAL RIGHT-OF-WAY LEASE, ADL 421296  
ALASKA LNG POINT THOMSON TRANSMISSION LINE  
AND  
CONDITIONAL RIGHT-OF-WAY LEASE, ADL 421297  
ALASKA LNG GTP-MAINLINE-LF

## COMMISSIONER'S FINAL DECISION

This final decision is intended to complement and update the Commissioner's Analysis and Proposed Decision dated January 21, 2021.

### **Proposed Action**

The Alaska Gasline Development Corporation (AGDC) has applied for two Alaska Statute (AS) 38.35 Right-of-Way (ROW) leases for the purpose of constructing and operating the Alaska LNG (AKLNG) project on State-owned lands.

The first application, ADL 421296, is for the Alaska LNG Point Thomson Transmission Line (PTTL) which is a proposed 32-inch natural gas pipeline with related facilities that would originate at the Point Thomson Unit's Central Pad and travel approximately 63 miles westerly to terminate at the project's Gas Treatment Plant near Deadhorse, on the North Slope. The PTTL would be primarily elevated on Vertical Support Members (VSMs) and would be operated as a contract carrier.

The second application, ADL 421297, is for the Alaska LNG GTP-Mainline-LF (Mainline) which is a proposed natural gas pipeline system that includes a Gas Treatment Plant (GTP) with related facilities near Deadhorse on the North Slope, a Liquefaction Facility (LF) with related facilities near Nikiski on the Kenai Peninsula, and an approximately 807-mile-long 42-inch-diameter mainline pipeline with related facilities that originates at the GTP and terminates at the LF. The Mainline would be predominately buried and would be operated as a contract carrier.

The Commissioner's Analysis and Proposed Decision on these applications found that while the review of the existing uses was complete and acceptable, the financial and technical reviews could not be completed. As such, AGDC was not found to be fit, willing, and able to construct their project under AS 38.35.100(a) and the Commissioner's decision was to offer AGDC two conditional right-of-way leases under AS 38.35.100(b).

### **Authority**

This decision is issued under the authority of Alaska Statute (AS) 38.35.015.

### **Public Notice and Hearings**

The Commissioner's Analysis and Proposed Decision was publicly noticed from January 22, 2021 through March 1, 2021. The notice was posted on the State's public notice website and the Division of Oil and Gas website, published in Anchorage Daily News, Fairbanks Daily News-Miner, Mat-Su Valley Frontiersman, Peninsula Clarion, and Arctic Sounder, and sent to libraries and post offices near the project area. Notices were also provided to third party interest holders, government agencies/entities, and Alaska Native Claims Settlement Act (ANCSA) Regional and Village Corporations within the vicinity of the project. Additionally, the State Pipeline Coordinator's Section held three on-line public hearings concerning the proposed decision on February 23, 24, and 25 all in 2021.

### **Discussion**

During the public notice period, seven written comments were submitted and three testimonies were given during the public hearings. Of the written comments, six were in support of the project and one was a generic objection to all oil and gas development. The three public hearing testimonies were in support of the project. The statements of support include the following topics:

- The Alaska LNG project is important to the economic development of the State and the North Slope.
- The project would create thousands of jobs and bring business to Alaskan contractors.
- Transporting natural gas through a pipeline is safer than trucking it on the road system or in tankers in the Arctic Ocean
- The project would provide reliable and affordable natural gas for in-state use to communities near the project, specifically the areas of Fairbanks, Mat-Su/Anchorage, and Kenai, and potentially other communities along the route.
- The project would provide opportunities for large entities or agencies such as the National Parks Service and the Department of Defense to obtain natural gas for use at such places Denali National Park and Preserve and interior military bases.
- Interior Alaska needs a cleaner fuel source to help reduce air pollution, especially in winter when inversions trap the air in the valley.
- The project would provide opportunities for smaller natural gas projects in the Yukon Flats basin to obtain commercially feasible transportation.
- The proposed Mainline lease protects the Trans Alaska Pipeline System (TAPS) by requiring AGDC to work with Alyeska to finalize engineering designs and to develop operating plans that will be compatible with the TAPS pipeline and its operating activities. These lease terms should not be altered.
- Support for resolving the conditional ROW lease conditions as soon as possible.


The Alaska LNG project is expected to be an overall benefit to the socioeconomics of our state, consistent with the policy set forth in AS 38.35.010. The potential for in-state use of North Slope natural gas supplies is expected to improve the welfare of our people, especially those in the Fairbanks area. The proposed leases pave the way for utilization of State lands in support of the project while tempering the project's impacts with meaningful mitigation measures for the environment and existing uses of the land. DNR acknowledges that resolution of the conditional ROW lease conditions is an important step in permitting the Alaska LNG project and will continue to make this project a priority while fulfilling its constitutional duties to develop State land in a responsible manner that will be to the maximum benefit of its people.

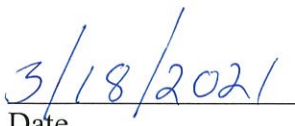
### **Final Decision**

The findings presented above have been reviewed and considered. The case file has been found to be complete and the requirements of all applicable statutes have been satisfied. The proposed action, to offer AGDC two conditional right-of-way leases under AS 38.35.100(b), is consistent with constitutional and statutory intent for state land. It is the decision of the Commissioner to approve this action as described in the Commissioner's Analysis and Proposed Decision.

### **Determination**

I have reviewed the administrative record of this process. Based on this review, the decision reached in the Commissioner's Analysis and Proposed Decision is not revised. Therefore, I find that the Alaska Gasline Development Corporation shall be offered two conditional ROW leases for the Alaska LNG project under AS 38.35.100(b), consistent with the terms and conditions specified in the Commissioner's Analysis and Proposed Decision for ADLs 421296 and 421297. This is the final agency determination. As required by AS 38.35.100(c), if the Alaska Gasline Development Corporation does not accept the upcoming formally offered conditional ROW leases within thirty (30) days, the offer will be withdrawn.

  
Corri A. Feige  
Commissioner  
Alaska Department of Natural Resources

  
Date

### **Request for Reconsideration**

A person who has standing under Alaska law may request reconsideration in accordance with 11 AAC 02. Any reconsideration request must be received within twenty (20) days of issuance of this decision. If no request has been filed within the 20 day period, this decision becomes the final decision of DNR on the 21st day, at which point this decision is the final administrative order and decision of DNR for the purpose of an appeal to the Superior Court within 30 days. An appellant who has standing under Alaska Law may appeal to Superior Court in accordance with the Alaska Rules of Court and to the extent permitted by applicable law. DNR does not waive its

right to assert any defenses in the event a party with standing files an appeal to Superior Court, including, but not limited to a failure to exhaust administrative remedies defense in the event a motion for reconsideration to the Commissioner does not precede the appeal to Superior Court. The request for reconsideration may be mailed or delivered to the DNR Commissioner, DNR Commissioner's Office, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska, 99501; or sent by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov).